



**COMMUNITY DEVELOPMENT COMMISSION  
of the County of Los Angeles**

2 Coral Circle • Monterey Park, CA 91755  
323.890.7001 • TTY: 323.838.7449 • [www.lacdc.org](http://www.lacdc.org)



**Gloria Molina**  
**Yvonne Brathwaite Burke**  
**Zev Yaroslavsky**  
**Don Knabe**  
**Michael D. Antonovich**  
*Commissioners*

**Carlos Jackson**  
*Executive Director*

March 13, 2007

Honorable Board of Commissioners  
Community Development Commission  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**APPROVE AMENDMENT NO. 1 TO DEVELOPMENT AND DISPOSITION  
AGREEMENT WITH ARROYO-MARQUEZ PARTNERSHIP FOR FOUR SINGLE  
FAMILY UNITS IN UNINCORPORATED EAST LOS ANGELES (1)  
(3 Vote)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that approval of the Amendment No. 1 To Development and Disposition Agreement (DDA) with Arroyo-Marquez Partnership, a California General Partnership (Developer), is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activities are not defined as a project under CEQA.
2. Approve the Amendment No. 1 to the DDA, presented in substantially final form, between the Commission and the Developer to amend and restate the Schedule of Performance (Attachment No. 10 to the DDA), for the development of four affordable single family homes on the Commission-owned site located at 4328 Eagle Street, in unincorporated East Los Angeles.
3. Authorize the Executive Director to execute Amendment No. 1, to be effective following approval as to form by County Counsel and execution by all parties; and authorize the Executive Director to execute all necessary documents to expedite completion of four homes, to be effective following approval as to form by County Counsel and execution by all parties.



**PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION:**

The purpose of this action is to amend and restate the Schedule of Performance in the DDA to allow the Commission and the Developer to jointly establish new time frames and performance requirements for completion of the project.

**FISCAL IMPACT/FINANCING:**

There is no impact on the County general fund.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On February 10, 1998, your Board approved the Disposition and Development Agreement with the Developer in order to provide HOME Investment Partnerships Program (HOME) funds to assist in the development of four affordable single family homes, to be located on the Commission-owned site at 4328 Eagle Street, in unincorporated East Los Angeles. The homes will be reserved for qualified households with incomes that do not exceed 80 percent of the area median income (AMI) for the Los Angeles/Long Beach Metropolitan Statistical Area, as defined by the U. S. Department of Housing and Urban Development.

Unanticipated subsurface site conditions led to delays in project implementation and necessitate that the Schedule of Performance be revised to set new time frames for completion of the project. The Commission and the Developer have agreed to these new time frames, and will execute all related documents to meet the goals set forth in the DDA and the revised Schedule of Performance.

**ENVIRONMENTAL DOCUMENTATION:**

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a) (3) because it involves administrative activities that will not have a physical impact or result in any physical changes to the environment. The action is not subject to the provisions of California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060 (c) (3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

Honorable Board of Commissioners  
March 13, 2007  
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**IMPACT ON CURRENT PROGRAM:**

The Amendment No. 1 will increase the supply of affordable homeownership opportunities in the County.

Respectfully submitted,



*for* CARLOS JACKSON  
Executive Director

CJ:NM

Attachments: 1

**DISPOSITION AND DEVELOPMENT AGREEMENT  
BETWEEN THE COMMUNITY DEVELOPMENT COMMISSION  
OF THE COUNTY OF LOS ANGELES AND  
ARROYO-MARQUEZ PARTNERSHIP,  
A CALIFORNIA GENERAL PARTNERSHIP**

**AMENDMENT NO. 1**

This Amendment No. 1 (the "Amendment") to the Disposition and Development ("Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, 2007 by and between the COMMUNITY DEVELOPMENT COMMISSION OF THE COUNTY OF LOS ANGELES, a public body, corporate and politic, ("Commission"), and ARROYO-MARQUEZ PARTNERSHIP, a California General Partnership, ("Developer"). Commission and Developer are sometimes referred to collectively herein as the "Parties" and each individually as a "Party."

WHEREAS, on February 10, 1998, the Commission and the Developer entered into the Agreement to develop four homes on a Commission-owned property ("Site") as legally described in Exhibit "A" of the Agreement; and

WHEREAS, unanticipated delays related to Site conditions require that the Schedule of Performance be amended and restated to set new time frames for completion of the project; and

WHEREAS, the Executive Director of the Commission and the Developer will jointly establish these time new frames, and execute all related documents to meet the goals set forth in the Disposition and Development Agreement and the amended Schedule of Performance; and

WHEREAS, the Commission and the Developer desire to amend the Agreement as provided herein.

NOW, THEREFORE, in consideration of the mutual undertakings herein, the parties agree as follows:

1. Attachment No. 10, SCHEDULE OF PERFORMANCE, is amended as follows:

An AMENDED AND RESTATED SCHEDULE OF PERFORMANCE is attached hereto and incorporated herein by the reference as Attachment 10.

- 2.. All other terms and conditions of this Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties, through their duly authorized officers, have executed this Amendment as of the date first above written.

**COMMISSION:**

Community Development Commission  
of the County of Los Angeles

By: \_\_\_\_\_  
Carlos Jackson, Executive Director

APPROVED AS TO FORM:  
Raymond G. Fortner, Jr.  
County Counsel

By: \_\_\_\_\_  
Deputy

**DEVELOPER:**

Arroyo-Marquez Partnership,  
a California General Partnership

By: \_\_\_\_\_  
JAMES MARQUEZ,  
General Partner

By: \_\_\_\_\_  
CHARLES LAWRENCE  
General Partner

## ATTACHMENT NO. 10

### AMENDED AND RESTATED SCHEDULE OF PERFORMANCE

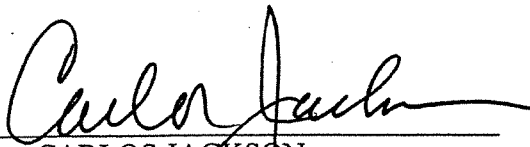
<u>ACTION</u>	<u>DATE</u>
1. <u>Agreement between Commission and Developer.</u> The original Disposition and Development Agreement ("Agreement") was executed on February 10, 1998. The purpose of this amended and restated Schedule of Performance is to amend and further define each of the respective milestones.	
2. <u>Execution and Delivery of a Revised Schedule of Performance.</u> The Developer shall execute and deliver two (2) original copies of this Revised Schedule of Performance to the Commission.	No later than 5 working days after receipt.
3. <u>Submission of Revised Development Budget.</u> The Developer shall submit to the Commission a revised Development Budget to include all sources and uses for project development and construction, projected sales prices, and affordable housing financing plan for qualified purchasers.	The Developer shall submit the revised budget for approval no later than March 9, 2007.
4. <u>Submission of Construction Contract for Developer Improvements.</u> The Developer shall deliver to the Commission a construction contract(s) for the construction of all Developer Improvements specified by the Agreement. Each contract shall comply with all requirements established by the Agreement.	No later than March 31, 2007
5. <u>Zoning &amp; Entitlements for the Site.</u> The Developer, shall have all entitlements to include recordation of Parcel Map #24883 in accordance with this Agreement.	No later than April 1, 2007.
6. <u>Submission – Final Construction Documents, including Architectural, Landscape, and All Required Engineering Plans and Specifications.</u> The Developer shall prepare and submit to the Commission for review and approval of Final Construction Documents.	No later than April 15, 2007.
7. <u>Commission Approval of Revised Development Budget</u> Budget is to include Sources and Uses of funding for each development phase. Developer must demonstrate how each of the subsidized units will be financed combining Homebuyer's contribution and subsidy.	Within 45 days after receipt by the Commission

<u>ACTION</u>	<u>DATE</u>
8. <u>Submission of Construction Loan Commitment.</u> The Developer shall deliver to the Commission an irrevocable written commitment from a Qualified Financial Institution agreeing to make a construction loan in an amount not less than <u>70% of the total construction costs</u> The percentage amount may be amended at the sole discretion of the Commission.	No later than April 30, 2007.
9. <u>Submission of Permanent Financing Interest Letter.</u> The Developer shall deliver to the Commission an irrevocable written commitment(s) from a Qualified Financial Institution(s) agreeing to make permanent loans to Qualified Buyers of improved Lots included in the development.	No later than April 30, 2007.
10. <u>Submission of Marketing Plan for sale of units.</u> The Developer shall deliver to the Commission a Affirmative Marketing Plan for the sale of the four (4) Assisted units as specified by the Agreement.	No later than April 30, 2007.
11. <u>Commission Approval of Developer Submissions:</u> Construction Loan Commitment; Permanent Financing Interest Letter (s); and Construction Loan Contract(s). The Commission shall review and approve or disapprove the Construction Loan Commitment, Permanent Financing Interest Letter(s) and Construction Contract(s).	Within 30 days after receipt by the Commission.
12. <u>Commission Approval of Final Construction Documents.</u> The Commission shall approve or disapprove the final Construction Plans, Drawings, Landscaping and Grading Plans.	Within 21 days of receipt by the Commission
13. <u>Funding of the HOME Loan and CDBG grant.</u> Following the Commission's approval of Developer's Submission of the Construction Loan Commitment, Permanent Financing Interest Letter(s), Construction Contract(s) and Developer's satisfaction of all closing conditions, the Commission shall commence funding of remainder of available funds in accordance with the Agreement.	For the HOME Construction Loan and the CDBG Infrastructure Grant within 30 days after opening of the Construction Escrow.
14. <u>Submission - Certificates of Insurance.</u> The Developer shall furnish to the Commission, Certificates of Insurance from the General Contractor in accordance with Section 308 of the Agreement	Prior to funding of the HOME Construction Loan, the CDBG Infrastructure Grant and reconveyance of the site.

<u>ACTION</u>	<u>DATE</u>
15. <u>Submission of Bonds.</u> The Developer's Contractor shall furnish one of the following four items: <ol style="list-style-type: none"> <li>1. Performance and payment bond for 100% of the contract price, or</li> <li>2. Separate performance and payment bonds, each for 50% or more of the contract price, or</li> <li>3. 20% cash escrow of the contract price, or</li> <li>4. 25% irrevocable letter of credit of the contract price.</li> </ol>	
16. <u>Commencement Construction of Developer's Improvements.</u> Developer shall commence construction of the Developer Improvements.	No later than May 1, 2007.
17. <u>Developer shall commence marketing</u> units to "solicit" buyers for each of the units.	No later than 60 days prior to completion of the project.
18. <u>Completion of Construction.</u> Developer shall complete construction of the Developer Improvements.	Within 9 months after commencement thereof by the Developer.
19. <u>Issuance - Certificate of Completion.</u> The Commission will furnish the Developer with a Certificate of Completion for the entire project.	Promptly after completion of all construction required to be completed by the Developer on the Site and upon written request therefor by the Developer.

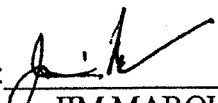
COMMUNITY DEVELOPMENT COMMISSION  
COUNTY OF LOS ANGELES

By: \_\_\_\_\_

  
CARLOS JACKSON  
Executive Director

ARROYO - MARQUEZ  
GENERAL PARTNERSHIP

By: \_\_\_\_\_

  
JIM MARQUEZ  
General Partner

By: \_\_\_\_\_

  
CHARLES LAWRENCE  
General Partner



